

# **Statewide Preschool Program for Four-Year-Olds House File 527**

Last Action:

**House Education  
Committee**

February 22, 2007

## **Executive Summary Only**

**An Act creating a statewide preschool program for four-year-old children and making appropriations.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 527  
STATEWIDE PRESCHOOL PROGRAM  
FOR FOUR-YEAR-OLDS**

**STATEWIDE PRESCHOOL  
PROGRAM FOR FOUR-YEAR-OLD  
CHILDREN**

**ELIGIBILITY REQUIREMENTS**

**TEACHER REQUIREMENTS**

**PROGRAM REQUIREMENTS**

**SCHOOL DISTRICT REQUIREMENTS**

- Creates a new preschool program for the purpose of providing an opportunity for all children in the State to enter school ready to learn by expanding voluntary access to quality preschool curricula for all children that are four years old.
- Requires the child to be a resident of Iowa and be four years old by September 15.
- Counts preschool students in the school districts where they are enrolled in an eligible program.
- Requires teacher in the preschool program to:
  - Be employed or under contract with the school district implementing the Program.
  - Be appropriately licensed as a teacher.
  - Possess a bachelor's or graduate degree from an accredited college or university with an early childhood or other appropriate major specified by the Department of Education
  - Collaborate with other agencies, organizations, and boards in the community to further the program's capacity, meet the children's and families' diverse needs, and maintain community relationships.
- Provides that the State Board of Education will adopt rules to set program requirements including:
  - Ten hours of instruction per week.
  - Class size and teacher-to-child ratios.
  - Applicable State and federal program standards.
  - Student learning standards.
  - Integration of children from State and federally funded preschools.
  - Collaboration with families, early care providers, and various community partners.
  - Provision for transportation of children.
- Provides that the State Board of Education will adopt rules to set school district requirements including:
  - Methods of demonstrating community readiness to implement high-quality instruction in a local program that is collaborative with multiple community stakeholders.
  - Eligibility of a four-year-old child enrolled in a child care center, child development home, or an existing public or private preschool program.
  - Data collection and reporting.
  - Career development for school district preschool teachers within the school district's career development plan.

## EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

## HOUSE FILE 527 STATEWIDE PRESCHOOL PROGRAM FOR FOUR-YEAR-OLDS

### DEPARTMENT OF EDUCATION REQUIREMENTS

- The Department of Education is required to:
- Implement an application and selection process for school district participation.
- Track preschool student progress in elementary and secondary education.
- Monitor the quality of the programming provided by the preschools.
- Provides State funding based on enrollment of eligible preschool students.
- Permits expenditure of school district revenues authorized for preschool or prekindergarten programming.

### FUNDING PROVISIONS

- Requires funding to supplement, not supplant, existing public funding for preschool programming.
- Restricts Preschool Foundation Aid funding from being commingled with other State Foundation Aid payments. Requires school districts to classify this funding as miscellaneous income and maintain this funding and expenditures as separate within its budget.
- Prohibits Preschool Foundation Aid funding from being used for facility construction.

### ELIGIBLE STUDENT ENROLLMENT

- Requires the preschool student to:
- Participate in an approved preschool program.
- Be four years old by September 15.
- Not be included in the enrollment count of a program already receiving State or federal funds for a four-year-old preschool program.

### FUNDING FORMULA AND INITIAL YEAR APPROPRIATIONS

- Parallels the School Foundation Funding process but remains separate. The Program's funding is driven by the prior year's budget enrollment in a manner similar to the School Foundation Formula, but the preschool pupils are not counted in the school districts' regular budget enrollments.
- Does not include a property tax component.
- Uses the State cost per pupil from the School Foundation Formula under Charter 257, Code of Iowa, in calculating preschool program funding. Since the State cost per pupil comes from the School Foundation Formula, it grows each year by the allowable growth rate approved by the General Assembly.
- Defines "preschool budget enrollment" as 60.0% of the actual enrollment of eligible students as of the October 1 count.
- Calculates "preschool foundation aid" as the product of the "preschool budget enrollment" multiplied by the State cost per pupil from the School Foundation Formula.

## EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

## HOUSE FILE 527 STATEWIDE PRESCHOOL PROGRAM FOR FOUR-YEAR-OLDS

### FUNDING FORMULA AND INITIAL YEAR APPROPRIATIONS (CONTINUED)

- Funds the initial year for a preschool program from General Fund appropriations:
  - FY 2008 – \$15.0 million
  - FY 2009 – \$15.0 million
  - FY 2010 – \$15.0 million
  - FY 2011 – \$16.2 million
- Funding in the initial year is determined as follows:
  - Preschool Foundation Aid is the product of the regular State cost per pupil for that school year multiplied by 60.0% of the eligible student enrollment on the date determined by rule.
  - Modifications are to be made relating to preschool program implementation, preschool enrollment reporting, and distribution of funding as necessary to initiate programs.
  - Programs beginning after September receive proportionately reduced ten-month school-year funding. If demand exceeds available funding, the specified selection criteria is applied.
- Funds subsequent years for a preschool program with “preschool foundation aid” based on the previous year’s enrollment and the State cost per pupil. This funding is included with the State Foundation Aid payments in Section 257.16, Code of Iowa.

### ADMINISTRATION AND OVERSIGHT

- Allocates up to 2.25% of the preschool foundation aid appropriation to the Department of Education for administration and oversight of the program.

**FISCAL IMPACT:** The estimated funding available for administration by the Department of Education is:

- FY 2008 – \$338,000
- FY 2009 – \$681,000
- FY 2010 – \$1.0 million
- FY 2011 – \$1.4 million
- FY 2012 – \$1.5 million
- FY 2013 – \$2.0 million
- FY 2014 – \$2.5 million

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**FISCAL IMPACT**

- Assumes there will be:
  - Approximately 40,000 four-year-olds in FY 2008, and 39,000 in the following years.
  - An increase of approximately 4,500 Program participants per year until approximately 90.0% of the four-year-olds are participating in this or another State or federally funded program. This will occur sometime after FY 2013.
  - A 4.0% allowable growth rate in future years.
  - Continued participation in State and federally funded preschool programs, and these students will not be eligible for funding under this program.

**FISCAL IMPACT:** The increases in State Foundation Aid due to the Preschool Foundation Aid formula implementation and in addition to the General Fund appropriations above are estimated to be:

- FY 2009 – \$15.3 million
- FY 2010 – \$31.1 million
- FY 2011 – \$47.6 million
- FY 2012 – \$67.1 million
- FY 2013 – \$87.3 million
- FY 2014 – \$108.9 million

# Unassigned Standing

## General Fund

	House Educ. FY 2008	House Educ. FY 2009	House Educ. FY 2010	House Educ. FY 2011	House Educ. FY 2012	House Educ. FY 2013	House Educ. FY 2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Education, Department of</b>							
<b>Education, Department of</b>							
Preschool Foundation Aid Standing	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 16,162,500	\$ 0	\$ 0	\$ 0
Preschool Foundation Aid Formula	0	15,300,000	31,100,000	47,600,000	67,100,000	87,300,000	108,900,000
<b>Total Education, Department of</b>	<u>\$ 15,000,000</u>	<u>\$ 30,300,000</u>	<u>\$ 46,100,000</u>	<u>\$ 63,762,500</u>	<u>\$ 67,100,000</u>	<u>\$ 87,300,000</u>	<u>\$ 108,900,000</u>
<b>Total Unassigned Standing</b>	<u><u>\$ 15,000,000</u></u>	<u><u>\$ 30,300,000</u></u>	<u><u>\$ 46,100,000</u></u>	<u><u>\$ 63,762,500</u></u>	<u><u>\$ 67,100,000</u></u>	<u><u>\$ 87,300,000</u></u>	<u><u>\$ 108,900,000</u></u>